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Letter No. 2217

June 13, 1985

WHEAT REFERENDUM

a52/ .A87F3 The U.S. Department of Agriculture is seeking public comments on proposed provision of the 1986 Wheat Marketing Quota Program. The quotas must be approved in a referendum by two-thirds or more of the eligible wheat producers. Public comments will be used to finalize program provisions for the wheat producers' referendum scheduled for July 19-26. Producers voting in the referendum will be choosing the type of program they want for the 1986 wheat crop. Details on the proposal are in the June 5 Federal Register. Comments must be received no later than July 5 by the Director, Commodity Analysis Div., USDA-ASCS, Room 3741-S, P.O. Box 2415, Washington, D.C. 20250.

WORLD WHEAT PROD. FOR 1985/86

World production of wheat for 1985-86 is projected at a record 517.1 million tons, but down 2.6 million from last month, according to the U.S. Department of Agriculture. In the U.S., wheat production is projected at 66.5 million tons, down 2.2 million or 3 pct. from last month and 6 pct. from last year. In Eastern Europe, wheat production is projected at 37.1 million tons, down 0.7 million or 2 pct. from last month and 11 pct. from last year's record crop. In Western Europe, wheat production is projected at 9.6 million tons, up 0.2 million or 2 pct. from last month, but down 10 pct. from last year's record crop.

COARSE GRAIN PROD. FOR 1985/86 The world production of coarse grains for 1985/86 is projected at a record 816.2 million tons, up 1/2 million tos or less than 1 pct. from last month and 2 pct. from last year, according to the U.S. Department of Agriculture. In Eastern Europe, production is projected at 68.5 million tons, down 0.4 million or less than 1 pct. from last month and 7 pct. from last year's record crop. Production in the European Community is projected at 70.5 million tons, up 0.3 million or less than 1 pct. from last month, but down 6 pct. from last year.

WORLD PROD.
OILSEEDS1985/86

World production of oilseeds for 1985/86 is projected by the U.S. Department of Agriculture at 186 million tons, unchanged from last month, but down 1.7 million or less than 1 pct. from 1984/85. U.S. production is forecast at 60 million tons, up 0.8 million or 1 pct. from 1984/85. Foreign production is projected at 126 million tons, down 2.5 million or 2 pct. from 1984/85.

L. AMERICA'S ECONOMY RALLIES Most Latin American economies improved in 1984, according to the U.S. Department of Agriculture. The outlook for 1985 is for continued improvement, although it will be awhile before conditions reach previous historical highs. Last year's growth came primarily from higher exports, and larger agricultural output. Governments in most countries will continue policies to insulate their economies from wide variations in the world market. A few, like Brazil, are seeking to open freer, market-oriented trade. Exchange rates will remain managed to provide many countries with favorable trading conditions. The rapidly increasing population will keep pressuring the governments to provide inexpensive sources of food.

BALANCE OF TRADE---L. AM. & U.S. The balance of agricultural trade between Latin America and the U.S. favored Latin America by nearly \$2 billion in 1984, compared with \$1 billion a year earlier, according to the U.S. Department of Agriculture. U.S. exports to Latin America were \$5.3 billion. Imports from the region were \$7.2 billion. Grains and feeds were the main U.S. exports, at \$2.4 billion. Oilseeds and products were at \$1.6 billion. The principal market was Mexico, which took \$2 billion. U.S. imports came mostly from Brazil, at \$2.1 billion, and Mexico at \$1.3 billion. Coffee, at \$2.4 billion accounted for a third of the total U.S. agricultural imports from the region.

JUNE OILSEED PRODUCTION

The U.S. Department of Agriculture's June oilseed production forecast for 1984/85 changed only slightly from last month's report. Increases in Brazilian and Indonesian soybean production were partially offset by the reduction in the soybean production estimate for Italy. The U.S. 1984/85 season average price forecast for soybeans was reduced 5 cents per bushel to \$5.85. The price forecasts for soybean meal and soybean oil remained the same as last month at \$122 per short ton and 31 cents per pound.

FARM LAND VALUES DECLINE

The downward trend in farmland values that began in 1981 accelererated during the past year, according to the U.S. Department of Agriculture. From April, 1984, to April, 1985, the index of farm real estate values dropped 12 pct. to 128. Historically, the largest declines occurred in 1932 and 1933, when the index dropped 17 and 19 pct., respectively. During the past year, the largest decreases were in the Corn Belt, Lake States, and Northern Plains, which incurred losses of 20 pct. or more. For the U.S., values were 19 pct. below 1981. The decline in farmland values becomes greater after allowing for inflation. The 12 pct. drop in the index of values plus the expected 4 pct. rise in the Consumer Price Index implies a 16 pct. fall in real value.

ASCS CONFERENCE The Agricultural Stabilization and Conservation Service National Conference is being held at the U.S. Department of Agriculture, June 19-21. Nearly 200 farmers will participate who serve on state agricultural stabilization and conservation committees, along with 50 state ASCS executive directors, ASCS Washington officials and representatives from other USDA departments. Sec'y of Agriculture John Block will address the conference on

FROM OUR
TELEVISION
SERVICE

AGRICULTURAL LAND VALUE - I... USDA economist William Heneberry focuses on the continued decline in farmland values - down 12 percent from April 1984 to April 1985. Vic Powell interview.

AGRICULTURAL LAND VALUE - II... USDA economist William Heneberry continues his discussion on the decline in agricultural land values, taking a look at the annual survey that reveals which states suffered the greatest decreases. Vic Powell interviews.

FARM SAFETY - LIGHTNING...USDA electrical engineer Ed Cohen focuses on lightning - what it is, where it's most prevalent and the types of problems it can cause. Don Elder interviews.

LIGHTNING - TELEPHONES AND PERSONAL COMPUTERS... USDA electrical engineer Ed Cohen describes how consumer appliances such as telephones and personal computers are highly susceptible to damage from lightning during thunderstorms. Don Elder interviews.

CROSSBREEDING CATTLE IMPROVES PROFITS....Doug Parrett, animal scientist with the University of Illinois, describes how crossbreeding can improve profitability in the beef production industry. Gary Beaumont interviews.

RENTS FROM FARMS

Cash rents for farms dropped in most states during the past year, but not as much as the decrease in land values, according to the U.S. Department of Agriculture. Rents for cropland were also lower, declining in 23 of the 28 states reporting. Some of the largest decreases occurred in Iowa and Nebraska, the states reporting the largest declines in land values. Cropland rents in Iowa dropped from \$117 per acre in 1984 to \$103 in 1985. In Nebraska, irrigated cropland rents fell from \$114 per acre to \$92 and dry cropland from \$57 to \$47. Competition among farm operators for rented land probably contributed to the relative stability of cash rents.

NONE OF YOUR BEESWAX!

The U.S. Department of Agriculure is imposing restrictions on imports of bees, used beekeeping equipment, honey, beeswax and pollen for bee feed to prevent entry of exotic bee pests and disease into the U.S. The restrictions apply to all countries except Canada, because Canada is free of exotic bee pests and diseases and has effective import regulations of its own. More information is contained in the June 10 Federal Register.

EMERGENCY LOANS

Sec'y of Agriculture John Block named counties in California, Minnesota and Texas as eligible for Farmers Home Administration emergency loans due to adverse weather. In California, he named two primary counties and 5 contiguous counties. In Minnesota, 1 primary and 5 contiguous. In Texas, 1 primary and 7 contiguous. The potato growers in California, farmers in Minnesota and farmers and ranchers in Texas have eight months in which to apply for the loans to help cover part of their actual losses.

WAREHOUSE STORAGE RATES The U.S. Department of Agriculture has amended its offer rate system for contracting grain storage space by giving the Commodity Credit Corporation the right to reject offers by warehouse operators when the handling rates exceed acceptable rates. OFF MIKE

Ashville, NC, played out its various personalities for the farm broadcasters who assembled at the Oak Grove there for the Southeast NAFB Regional Meeting, June 7-9. From a rainstorm, to sunshine, to barbecued pork in a recreational park, to a tour of the fabulous Biltmore Mansion and Winery, to hospitality galore...those were the personalities and more. And around 75 NAFB'ers and guests enjoyed it all, thanks largely to Ken Tanner (WRAL-TV/Tobacco Net, Raleigh, NC), the NC regions National Vice President. At the business meeting, the members elected Dan Gordon (Tennessee Agrinet, Nashville, TN) as the new National VP. Craighton Knau (KMA, Shenandoah, IA) won the Jim Graham Barnyard Golf Classic, and the tournament's namesake, North Carolina Commissioner of Agriculture Jim Graham was on hand to personally present the trophy. During the meeting, we visited with Gene Ragan (Gene Ragan Farm Shows, Dothan, AL) and he revealed that he would be celebrating 28 years of continuous television farm broadcasting this fall. Which raises an interesting questions: Is there any other farm broadcaster who has as much or more "time in service" in farm broadcasting? ... We also learned from Johnnie Hood (WPTF/So. Farm net, Raleigh, NC) that Hap Hansen died of cancer, June 2. Hap had worked with Johnnie for 12 years, then left to be farm broadcaster at WAKS, Fuguay-Varina, NC, then bought and managed WSMR, Raeford, NC ... Gary Truitt is getting settled in in Indianapolis, IN, and will begin a schedule of farm reports on Indiana Agribusiness Net beginning June 17 ... And we learn that Ron Arp is the new farm broadcaster at KWHT, Pendleton, OR. Ron received a 1984 NAFB scholarship and had worked as apintern and correspondent for Rich Hawkins (KRVN, Lexington, NE).

FROM OUR RADIO SERVICE

AGRICULTURE USA #1463...(Weekly 13½ min documentary) You've heard of "Ghostbusters", well, now there are "Mothbusters".

Gary Crawford talks to the men responsible for ridding the countryside of unwanted Gypsy moths.

AGRITAPE/FARM PROGRAM REPORT #1452...(Weekly reel of news features) USDA news highlights; Wool and Lamb Update; Gypsy Moth Eradication Part I; Gypsy Moth Eradication, Part II.

CONSUMER TIME #945... (Weekly reel of five $2\frac{1}{2}-3$ min features) Tobacco research breeds controversy; Reducing smoking risks; Who wants a safe cigarette; "Latchkey" children; Appliances - How much do you know?

USDA RADIO NEWS SERVICE...Tuesday, June 25, Weekly weather and crop outlook; China's Outlook report; Thursday, June 27, Farm Real Estate Marketing Dev. report; Friday, June 28, Ag. Prices report.

JEMES L. JOHNSON, Chief

Radio and Television Division